

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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In the Matter of

Policies and Rules Implementing
the Telephone Disclosure and
Dispute Resolution Act

CC Docket No. 93-22
RM-7990

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

GTE'S REPLY COMMENTS

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its affiliated domestic
telephone operating companies

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SUMMARY

1. GTE urges the FCC to protect consumers by prohibiting access to pay-per-call services via the 700 or 800 access codes. Access via 700 or 800 would deny regulators the ability to protect the public as contemplated by Congress.
2. More stringent blocking requirements do not have to be mandated in light of the early warning system being implemented by the exchange carrier industry. If nonetheless the FCC does mandate blocking, it must be recognized that the present network can block 900/976 as an entirety but cannot provide selective blocking of 900/976. It must also be understood that implementation of a more efficient early warning system is dependent on limiting pay-per-call services to the 900 and (for local service) 976 access codes.
3. GTE recommends FCC prohibition of collect audiotext pay-per-call services.
4. The Commission should adopt a billing-information requirement in principle, leaving enough flexibility for exchange carriers to decide how to meet the requirement most efficiently; and should preempt more burdensome state requirements.

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GTE'S REPLY COMMENTS

GTE Service Corporation and its affiliated domestic telephone operating companies ("GTE"), hereby reply to the submissions of other parties filed in response to the Commission's Notice of Proposed Rulemaking and Notice of Inquiry, FCC 93-87 released March 10, 1993 ("*Notice*" or "*NPRM*").

DISCUSSION

1. **GTE supports the proposal requiring only the 900 service access code be used for interstate PPC services.**

The *Notice* (at para. 17) tentatively concludes "that consumers' interests would be served by requiring that 900 is the only service access code ["SAC"] that may be used for interstate pay-per-call ["PPC"] services." GTE emphatically supports this tentative conclusion. The use of service access codes other than 900 for PPC services causes confusion and frustration for consumers and serious billing problems for Local Exchange Carriers ("LECs" or "exchange carriers").

Many other commenters also support this tentative conclusion. AT&T (at 6) "strongly endorses the Commission's plan to consolidate interstate pay-per-call services on the 900 SAC." Additionally, Consumer Action (at 2), South Carolina Telephone Coalition ("SCTC") (at 2), Summit Telecommunications Corporation (at 6), Phone Programs, Inc. ("PPI") (at 4), the New York State Department of Public Service (the "New York commission") (at 2), the Newspaper Association of America ("Newspaper Association") (at 2) and Sprint (at 8) agree to limiting PPC services to the

900 access code. These parties indicated that a clear and simple association must be set in the consumer's mind between interstate 900 calling and PPC charges.

GTE places particular stress on not employing the 800 access code for PPC services. A wide range of parties, including Cincinnati Bell (at 2), BellSouth (at 2-3, with reservations), the National Association of Consumer Agency Administrators ("Consumer Agency Administrators") (at 5), the American Public Communications Council (at 7) and PPI (at 5), agrees that it is in the best interests of the consumer to prohibit any PPC charges using 800 as a number identified with toll-free service.

The 800 number associated with PPC charges misleads customers into believing they are making a toll-free call. As stated in GTE's comments (at 5-7), GTE's billing systems do not have the capability of distinguishing these calls from other toll calls.

In opposition, the National Association For Information Services ("NAIS"), proposes (at 15-16) to "permit any prefix to be used for a pay-per-call service, provided that the service is promoted and advertised in accordance with Federal pay-per-call rules."

GTE urges the FCC to reject these arguments. Trying to identify PPC charges on a multitude of access codes would, for exchange carriers and the public, be a nightmare. As mentioned *infra*, unless the call is dialed using 900 (or 976 for intraLATA or local), GTE does not have the information available to distinguish PPC charges. Inevitably, this would lead to a bill collection effort in the mistaken belief that a charge was for toll usage, thus producing a result directly contrary to what Congress was trying

2. **Rather than mandating more stringent blocking requirements that would be technically and economically infeasible, the Commission should rely on early warning systems being implemented by the exchange carrier industry -- systems that are proving to be more economical and more effective.**

Blocking can play an important role in protecting all parties: the public, the carriers and the Information Providers ("IPs"). However, any proposal to require blocking should be looked at in light of technical feasibility in the present network, the cost of required upgrades, and the customer base that can be expected to pay this cost. Also, the possibility of mandatory blocking should be considered in light of more economic and efficient alternatives.

Looking at technical feasibility first, the fact is this: While GTE is currently providing across-the-board blocking of all 900/976 access codes, its network cannot furnish blocking for selected access codes. This problem is industrywide, as indicated by the comments of such parties as the United States Telephone Association ("USTA") (at 5) and Consumer Action (at 5).

The Telecommunications Subcommittee of the Consumer Protection Committee of the National Association of Attorneys General (the "Attorneys General") (at 6) favors allowing blocking by type of service. This kind of blocking might be feasible in a future network. **But in GTE's network, blocking by type of service cannot be provided.** To create the capability would be far more costly than could ever be justified. Moreover, since it would involve an acceleration of switch upgrade and switch replacement, it would be likely to throw on the general ratepayer some proportion of the economic burdens of preventing abuse of PPC service. Clearly this is not what Congress intended.

Before the FCC issues a more stringent blocking requirement, consideration should be given to constructive solutions being implemented by the exchange carrier industry, among others. Thus, GTE uses an early warning system that blocks 900/976 access codes for customers who have excessive 900/976 usage. This is favorably

viewed by the IP industry, as reflected in the comments of NAIS, which observes (at 20) that "some local exchange companies, including Pacific Bell and GTE, automatically block subscribers from accessing pay-per-call programs once certain dollar thresholds are reached"; and says (*id.*) it would be premature to adopt more specific procedures at

However, it must be understood that GTE cannot identify calls of this type when they are forwarded for billing; therefore GTE is not able to "police" this prohibition. If a customer brings to GTE's attention that the call is in fact PPC, GTE then follows PPC rules regarding billing disputes, service interruption or disconnection, *etc.*, as outlined in GTE's comments.

Because it is in a similar position, Pacific Bell (at 4) suggests: "Billing entities and common carriers should not ... be liable for disconnection or interruption of local exchange or long distance telephone service for nonpayment of pay-per-call-type collect call charges." GTE agrees with Pacific Bell for the reasons stated *supra*.

In summary: GTE urges the FCC to prohibit collect audiotext PPC services.

- 4. In terms of information on bills, the Commission should adopt a requirement in principle, leaving enough flexibility for exchange carriers to decide how to meet the requirement most efficiently; and should preempt more burdensome state requirements.**

Consumer Action (at 6-7) and Consumer Agency Administrators (at 9) call for the provision of information on bills that would prove more costly and burdensome than could possibly be justified.

For example, Consumer Action (at 7) and Consumer Agency Administrators (at 9) say the name of the IP should be furnished on the exchange carrier's bill. But currently, there is no place on the toll detail records to place such information. In order to identify a place for this information, a very costly industry-wide change would have to be made. Further, GTE suggests there is no need for any dispute-related information on the bill beyond the required 800 inquiry number.

Moreover, even when an end user calls GTE, the company does not have the names and addresses of the hundreds of IPs that exist -- many disappearing virtually overnight, or merging, consolidating, and so forth. To the extent any carrier has a role here, it should be the responsibility of the IXC to provide that information and to keep it updated. Only if an updated listing of IPs' names and addresses has been furnished to

the exchange carrier by the IXC can the exchange carrier take any responsibility for furnishing this information on customer inquiry.

Even more unfortunate is the recommendation of Consumer Action (at 7) that PPC charges "appear on a separate page of the bill to avoid confusion...." GTE has recently incurred more than three million dollars because of such detailed requirements issued by the regulatory agency of a single state. The FCC should avoid excessive detail in its rules. It should adopt its proposed requirement (*Notice* at para. 37) for "show[ing] [PPC charges] on the bill separately from local and long distance telephone charges" in just those terms -- which leave precise presentation of the data to the discretion of exchange carriers.

This illustrates the problem of excessively detailed prescriptions issued by numerous state and federal bodies. GTE is particularly sensitive to this inasmuch as the company operates in forty states. GTE suggests for this reason the FCC should make sure its rules are focused on the principle, leaving the details to the companies in dealing with their own customers. Moreover, it should preempt state action that would impose totally unnecessary costs and burdens on companies emanating from potentially fifty state commissions in addition to two federal agencies.

The National Association of Regulatory Utility Commissioners ("NARUC") (at 6-8), Consumer Action (at 5) and the New York commission (at n.2) all insist the FCC should mandate state minimum requirements on billing and blocking issues for 900 services, thus allowing individual states to add still more stringent requirements as them deem necessary. This would mean GTE will have to deal with as many as forty different sets of requirements.

Far more efficient would be preemptive FCC requirements that permit reasonable flexibility for the companies so long as the consumer is fairly informed and protected. This would allow the exchange carrier to choose the most efficient method

of implementation to satisfy this nationwide requirement, based on its own billing systems, *etc.*

GTE provides the following information on the end user's bill: 1) type of service; 2) amount of charge; 3) date, time and rating period, *e.g.*, day, evening weekend, of the call, and 4) duration of the call. In addition, a toll-free telephone number is included on the statement for billing disputes. GTE believes this information is more than adequate for purposes of protecting the public.

In summary: The Commission should adopt a billing-information requirement in principle, leaving enough flexibility for exchange carriers to decide how to meet the requirement most efficiently; and should preempt more burdensome state requirements.

5. Exchange carriers should not be responsible for obtaining information from IPs on charitable status.

The Attorneys General (at 18) and Consumer Action (at 9) propose to make exchange carriers responsible for verifying a service provider's charitable status. This would include reviewing contracts between the IP and the charitable organization or ensuring that the charitable organization is in compliance with the charity registration act of each state in which the IP intends to solicit.

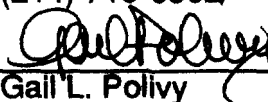
These proposals should not be entertained. Imposition of such obligations on exchange carriers would make private firms into arms of the law enforcement

machinery. Exchange carriers' responsibility should be limited to ensuring that a copy of the IRS form verifying charitable status is on file.

Respectfully submitted,

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May 4, 1993

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Certificate of Service

I, Ann D. Berkowitz, hereby certify that copies of the foregoing "GTE's Reply Comments" have been mailed by first class United States mail, postage prepaid, on this 4th day of May, 1993 to all parties of record.


Ann D. Berkowitz